

Social Safeguard Monitoring Report

Semestral Report
October 2016

Bangladesh: Power System Expansion and Efficiency Improvement Investment Program - Tranche 2

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Social Safeguard Monitoring Report

Reporting Period: January, 2016 to June, 2016
Date : October, 2016

Power System Expansion and Efficiency
Improvement Investment Program-Tranche 2
Loan No: 3087-BAN
(400/230/132 kV Grid Network Development
Project)



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EXECUTIVE SUMMARY

Power Grid Company of Bangladesh Ltd. (PGCB) is executing this project (400/230/132 kV GND Project). The project is divided into three Packages (Package-1, Package-2 & Package-3). The discussing project (ADB Loan No.: 3087- BAN) is in Package-2. As per DPP this package (Package-2) divided into two Lots like Lot-1 (Sub-station) & Lot-2 (Transmission Line). Due to less quantity of work volume in Lot-2 (Transmission line), the both Lots (Lot-1 & Lot-2) is converted into One Lot (Lot-1). This project with Foreign Exchange of 35 million USD being financed by Asian Development Bank (ADB) and local currency being financed by Government of Bangladesh (GOB) & PGCB funds. A loan agreement was signed between ADB and GOB in this regard on 11 February, 2014. The project includes construction of 01 nos. of 230/132 kV GIS Grid Substation at Shyampur, 01 nos. of 132/33 kV GIS Grid substations at Dhamrai and construction of around 4 km 230 kV double circuit transmission lines & 2 km 132 kV double circuit transmission lines at Shyampur to up gradation transmission network at North-Eastern region of Dhaka & improve the power supply reliability. Power Grid Company of Bangladesh Limited (PGCB) as executing agency (EA) of the project has signed one turnkey contract with SIEMENS CONSORTIUM DHAMRAI-SHYAMPUR PROJECT Consisting of Siemens Ltd. India & Siemens Bangladesh Ltd.

About 4.5 Acres of land was acquired for construction of two new substations at different places, and proper compensation and resettlement are pertinent issues in this regard. Achieving the Right of Way (ROW) for transmission line abiding by the laws and regulation is also a major concern. However, formation of a Grievance Redress Committee especially for paying the compensation needs to be considered with priority.

Accordingly, issues like social safeguards, safeguards for small ethnic community people, labor standards were included in the contracts with the contractors to be in compliance with applicable standards. Simultaneously, Project officials and contractors working in the field are regularly monitoring the compensation issues, conducting public meetings with local people and administration.



1.0 Introduction

1.1 Scope of Report

The report includes brief description of the project, status of the project implementation, implementation schedule. This report emphasises on land requisition procedure, land requisition act, compliance with legal and policy requirements and social safeguard covenants.

1.2 Project Description

The objectives of the Project include:

- To increase the power supply reliability of Shyampur, Narayanganj and Dhamrai, Dhaka area.
- To meet the growing demand of Shyampur, Narayanganj and Dhamrai, Dhaka.
- To strengthen the power evacuation arrangement & increase power supply stability, reliability & transmission capability in Shyampur, Narayanganj and Dhamrai, Dhaka area.

Scope of Work of the Project:

Sub-station:

- a) Shyampur 230/132 kV, 2x 225/300 MVA GIS Grid Sub-station.
- b) Dhamrai 132/33 kV, 2x50/75 MVA GIS Grid Sub-station.

Transmission Line:

- a) 230KV double circuit In-Out Line from Meghnaghat-Hasnabad 230KV double ckt line at Shyampur (4 km).
- b) 132KV double circuit In-Out Line from Hasnabad-Shyampur 132KV double ckt line at Shyampur (2 km)

The Foreign exchange & BDT component of the contract cost is being financed from ADB's Power System Expansion and Efficiency Improvement Investment Program (Trance 2) Loan no. 3087-BAN, signed between ADB and Government of Bangladesh (GOB) under Subsidiary Loan Agreement (SLA) with PGCB, whereas the local currency & CD/VAT expenses are being financed by GOB and Other overhead expenses are being financed by PGCB.

The details of the said project are given in Table-1.1. Initial and revised estimated costs of the Project are given in Table-1.2.



Table-1.1: Project at a Glance

Project Title	:	400/230/132 kV Grid Network Development Project (Power System Expansion and Efficiency Improvement Investment Program- Tranche 2, Loan No: 3087-BAN)
Ministry/Division	:	Ministry of Power, Energy and Mineral Resources/Power
Executing Agency	:	Power Grid Company of Bangladesh Limited (PGCB)
Location of the Project	:	District: Dhaka, Narayanganj. Upazilla : Dhamrai, Shyampur

Table-1.2: Estimated Cost of the Project in lakh BDT

Total	DPA	GOB(CD/VAT)	PGCB
38078.60	27276.32	4461.82	6340.46

Tenders were invited for the implementation of the project by one lot: Lot-1 for substations and transmission lines. After systematic and successful tendering processes one turnkey contract were signed with the approval of ADB as follows:

Construction and Completion of 132/33 kV GIS Substation at Dhamrai, 230/132 kV GIS Substation at Shyampur and associate transmission lines on turnkey basis (Contract No. PSEEIP(TRANCH-2)/ADB/PGCB/P01) ("the facilities"). has been signed between Siemens Consortium Dhamrai-Shyampur Project Consisting of Siemens Ltd. India & Siemens Bangladesh Ltd.

2.0 Project Status

2.1 Status of Project Implementation

Lot-1 (Sub-station) & Lot-2 (Transmission Line) are converted into a single Lot due to less quantity of work in Lot-2.

General Information:

Contract No: PSEEIP (TRANCH-2)/ADB/PGCB/P01

Construction and Completion of 132/33kV GIS Substation at Dhamrai, 230/132kV GIS Substation at Shyampur and associated Transmission Lines on Turnkey Basis signed on 19/10/2015 and effective date of contract 08/02/2016.

Contract Price: USD 17,619,415.88 plus BDT 489,663,790.26

Contract Award:

The contract was awarded to Siemens Consortium Dhamrai-Shyampur Project Consisting of Siemens Ltd. India & Siemens Bangladesh Ltd. on 19th October, 2015.

Implementation Schedule:

The project completion date is February, 2018 which is 730 days from the effective date of contract signing.

Present Status:

- a) Date of Contract Signing for Shyampur 230/132 kV GIS and Dhamrai 132/33 kV GIS Substation on 19/10/2015 and effective date of contract 08/02/2016.
- b) Advance payment of 10% of Contract Price (LC) BDT 48,966,379.00 completed on 19/11/2015,
- c) Advance payment of 10% of Contract Price (FC) USD 1,761,941.588 completed on 02/12/2015.

Financial Progress:

Contract Price	USD 17,619,415.88 plus BDT 489,663,790.26
Total Expenditure up to June, 2016 (ADB Fund)	USD 2.73 million

Physical Progress:

- a) Earth filling work has completed for both substation.
- b) Soil test work has completed for Shyampur & Dhamrai GIS substation.
- c) Piling work of Transformer base & blast wall has completed for shyampur 230/132 kV GIS substation.
- d) Piling work of Transformer base, blast wall, dormitory building has completed for Dhamrai 132/33 kV GIS substation.
- e) Foundation casting work of Ansar Barrack has been completed for Dhamrai 132/33 kV GIS substation.
- f) Soil test work of Meghnaghat-Hasanabad & Hasanabad-Shyampur Transmission line has been completed.
- g) Overall progress of the project is 13.76%.

Resettlement Plan:

As the selected locations for substations are basically empty & shallow lands, no resettlement will be necessary. However, compensations have been paid to the landowners as per provision of the existing law for the value of land and to meet their losses of crops, trees or any other valuables on the land with mutual discussion with land owners.

As per Electricity Act 1910 and Telegraph Act 1885, permanent land acquisition will not be required for the transmission line. No permanent structure will be affected as the selected route of the transmission line runs basically through crops field and low land area, no resettlement will be necessary. However, compensation will have to be paid to the landowners as per provision to meet their losses of crops and trees.



3.0 Performance Monitoring

3.1 Compliance with Legal and Policy Requirements

Land Acquisition Rules and Regulations:

All land acquisition for power sector development work is done by the land acquisition department of Deputy Commissioner Office by following the acquisition of immovable Property Rules, 1982. As a public limited company PGCB follows the rules of land acquisition strictly and land acquisitions are conducted and compensations are paid through respective DC office.

For any kind of development work land acquisition is a requirement. For a country like Bangladesh which is one of the most densely populated countries land acquisition becomes a difficult task. Under this process Land acquisition for new substation Dhamrai & Shyampur Substations has been completed. In order to meet the social safeguard guideline of ADB, the Grievance Redress Committee needs to be formed, which is under process. Once the committee is formed, complains will be more properly managed and recorded.

3.2 Compliance with Social Safeguards Convent

Para	Description	Compliance
5.3	All land and all rights-of-way required for the Project, and all Project facilities are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and regulations of the Borrower relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; (c) the RF; and (d) all measures and requirements set forth in the respective RP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.	Being Complied
5.4	No physical or economic displacement takes place in connection with the Project until: (a) compensation and other entitlements have been provided to affected people in accordance with the RP; and (b) a comprehensive income and livelihood restoration program has been established in accordance with the RP.	Being Complied
5.7	The Borrower shall ensure, or cause the Project Executing Agency to ensure, that all bidding documents and contracts for Works contain provisions that require contractors to: (a) comply with the measures and requirements relevant to the contractor set forth in the RP and any small ethnic community peoples plan, and any corrective or preventative actions set out in a Safeguards Monitoring Report; (b) make available a budget for all such social measures; (c) provide the Borrower with a written notice of any unanticipated resettlement or small ethnic community peoples risks or impacts that arise during construction,	Being Complied



	<p>implementation or operation of the Project that were not considered in the RP or any small ethnic community peoples plan; (d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and (e) fully reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction.</p>	
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3.3 Compliance with resettlement plan requirements

As the selected locations for substations are basically unused lands and, no resettlement will be necessary. However, compensations have been paid to the landowners as per provision of the existing law as the value of land and to meet their losses of crops, trees or any other valuables on the land. Relating with law PGCB or contractor can cut down only those trees which hamper to construct the transmission line or project.

Transmission lines are constructed in mainly open or bared land. So no resettlement required. According to the government law no compensation is provided for transmission line to land owners. But crop or tree compensation is provided as per law. Project officials contractor give high emphasis, so that minimum use of land occurs. Necessary social safeguards are kept in contract document and contractors are bound to follow.

4.0 Implementation of Grievance Redress Mechanism and Stakeholders' Complaints

4.1 Grievance Redress Mechanism - briefly define/explain the process

About 4.5 Acres of land were acquired for substations and cares are taken while selecting lands for substations and all selected lands are basically infertile and far from densely populated area. Land acquisition for substations was completed and guided by Draft National Involuntary Resettlement Policy 2010, LAR Ordinance Amended in 1994 and Safeguard Policy Statement 2009, Electricity Act 1910.

4.2 Status of Implementation of the GRM

Compensation was paid to owners those were affected on acquisition by account payee cheque in presence of the local Member of Parliament, local representatives and local Government officers. Permanent Land acquisition was not required for the TL as per Electricity Act 1910 and Telegraph Act 1885 but due Compensation will be paid to the land owners to meet their losses of crops and trees. No permanent structure will be affected as TL passed through open field and agricultural land. PGCB project officials, District office are always ready to meet any kind of argue or dispute with proper judgment according to existing laws.

The Grievance Redress Committee needs to be formed, which is under process. Once the committee is formed, complains will be more properly managed and recorded. So far, there were no complaints from the affected people.

5.0 Stakeholder Engagement

5.1 Stakeholder Engagement Process

Stakeholders are fully engaged in compensation process. They can also argue if they think payment is not satisfactory.

5.2 Consultations

Still now no complains have not found by affected persons or local people. If there are concerns which require consultation, it would be arranged. The PGCB officials and contractor will deal any kind of issues if raised in future and resolve it.

6.0 Conclusion

The objective of social safeguard and monitoring is to compensate the people who are affected by the projects, resolve any kind issues. It is a continuous process by which people can live with full satisfaction.

1. The copies of own policy documents of the contractors: SIEMENS and their subcontractors like Reverie & Energypac pertaining to regular consultation with local people with various issues.
2. PGCB will also follow up with local administration regarding any kind of problems or discomfort with local people and try to resolve it.

